





REDACTED - FOR PUBLIC INSPECTION

VIA ECFS

June 29, 2015

Ms. Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary 445 12th Street, S.W. Washington, D.C. 20554

RE: REQUEST FOR CONFIDENTIAL TREATMENT WC Docket No. 14-58 - ETC Annual Reports and Certifications

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report and Service Outage Reporting included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Brazos Telephone Cooperative, Inc.(the Cooperative), Study Area Code 442041 is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. The Cooperative, by its authorized representative, hereby requests confidential treatment of three attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report, (2) the financial annual report, and (3) service outage reporting, all of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan



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progress report and the service outage reporting is being made pursuant to Section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's June 17, 2015 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that Brazos Telephone maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Cooperative.

<u>Five-Year Service Quality Improvement Plan Progress Report and Service Outage Reporting</u>

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, Brazos Telephone requests that the text and data extracted from its five-year service quality improvement plan progress report and the service outage Reporting be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Cooperative keeps confidential. Public availability of this information would have a substantial negative impact on the Cooperative.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Cooperative's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

Attachment to Line 200 of FCC Form 481 – Service Outage Reporting. Confidential treatment is sought for all information in the service outage report specifically related to the Cooperative's access line counts.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1). Section 200 requires eligible telecommunications carriers

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to report outage information of at least 30 minutes in duration and impacts at least ten percent of the end users served in the service area or 911 special facility pursuant to 47 C.F.R. §54.313(a)(2).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Cooperative's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to improve service quality, service coverage, and/or service capacity. It also contains a map of the Cooperative's service area detailing progress toward meeting broadband deployment targets at the wire center level. The service outage information contains access line information which could cause harm to the competitive position of the Cooperative. The required information in both instances contains closely guarded, privileged information that the Cooperative does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband service and voice service are both subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless providers that have voice and data plans. Most RLECs also face competition from at least one other wireline voice and broadband provider such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report and the outage reporting would provide competitors with detailed, granular information regarding the Cooperative's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Cooperative.

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(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Cooperative has continually treated the extracted information in its five-year plan progress report and the access counts provided in the service outage reporting as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report and service outage reporting is not available to the public, and third party access is limited as described in (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Cooperative requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Cooperative's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period. The Cooperative also requests that the service outage information be withheld from public inspection indefinitely because of the ongoing competitive harm it may cause.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

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Financial Annual Report

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). Brazos Telephone seeks confidential treatment of its financial annual report pursuant to the June 17, 2015 *Protective Order* in WC Docket No. 10-90, *et al.*¹ The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

Brazos Telephone is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the Service Outage Reporting (Voice) confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system.

¹ Connect America Fund et al., WC Docket No. 10-90 et al., Protective Order, DA 15-712 (rel. June 17, 2015).

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This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

Deb Morgan

Authorized Representative for Brazos Telephone Cooperative, Inc.

DM/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Mr. Lonnie Rue, Brazos Telephone Cooperative, Inc. Mr. Ted Scobee, Brazos Telephone Cooperative, Inc.

FCC For	rm 481 - Carrier Annual Reporting Data Collection Form		FCC Form o OMB Conti July 2013	181 rol No. 3060-0986/OMB Control No. 3060-0819
<010>	Study Area Code	442041		
<015>		BRAZOS TEL COOP I	NC	
<020>	Program Year	2016		
<030>	Contact Name: Person USAC should contact with questions about this data	Ted Scobee		
<035>	Contact Telephone Number: Number of the person identified in data line <030>	9405647341 ext.		
<039>	Contact Email Address: Email of the person identified in data line <030>	tscobee@brazostel	.com	
				54.313 54.422 Completion Completion
ANNUA	AL REPORTING FOR ALL CARRIERS			(check box when complete)
<100>	Service Quality Improvement Reporting		(complete attached worksheet)	✓
	Outage Reporting (voice)		(complete attached worksheet)	✓ ✓
<210>		outages to report		√
<300>	Unfulfilled Service Requests (voice)			
<310>	Detail on Attempts (voice)			
			(attach (descriptive document)
<320>	Unfulfilled Service Requests (broadband)			
<330>	Detail on Attempts (broadband)		(attach	descriptive document)
<400>	Number of Complaints per 1,000 customers (voice)			
<410>	Fixed 0.0			//
<420> <430>	Mobile 0.0 Number of Complaints per 1,000 customers (broadb	l pand)		/
<440>	Fixed			
<450> <500>	Mobile 0.0 Service Quality Standards & Consumer Protection R	l ules Compliance	(check to indicate certification)	✓ ✓ ✓
<510>	442041CX310.PGL		(attached descriptive document)	✓ ✓ ✓
<600>	Functionality in Emergency Situations		(check to indicate certification)	✓
	442041tx610.pdf			
			(attached descriptive document)	✓ ✓
<610>				
<700>	Company Price Offerings (voice)		(complete attached worksheet)	
<710>	Company Price Offerings (broadband)		(complete attached worksheet)	✓
<800> <900>	Operating Companies and Affiliates Tribal Land Offerings (Y/N)?		(complete attached worksheet) (if yes, complete attached worksheet)	
	Voice Services Rate Comparability Certification		Yes	✓
	442041tx1010.pdf	<u> </u>		
<1010>	>		(attach descriptive document)	✓ /
<1100>	Certify whether terrestrial backhaul options exist (Y	'es or No)	(if not, check to indicate certificat	ion) 🗸
<1110>			(complete attached worksheet)	
<u> </u>	Price Cap Carriers, Proceed to Price Cap Additional	Documentation Wor	(complete attached worksheet)	V
	Including Rate-of-Return Carriers affiliated with Pri			
<2000>	- · · · · · · · · · · · · · · · · · · ·		(check to indicate certification)	
<2005>	Rate of Return Carriers, Proceed to ROR Additional	Documentation Wo	(complete attached worksheet) rksheet	
<3000>	,		(check to indicate certification)	✓
<3005>			(complete attached worksheet)	

(100) Se Data Cc	(100) Service Quality Improvement Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
7010	Ctirdy Aras Cada	442041	
<015>		BRAZOS TEL COOP INC	
<020>	Program Year	2016	
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee	
<032>	Contact Telephone Number - Number of person identified in data line <030>	9405647341 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	tscobee@brazostel.com	uc
<110>	Has your company received its ETC certification from the FCC?	(yes / no)	
<111>>	If your answer to Line <110> is yes, do you have an existing $\$54.202(a)$ "5 year plan" filed with the FCC?) (ou / sə/)	00
<112>	If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service. Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.		442041tx112.pdf
	Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be	r lear	Name of Attached Document
,	submitted at the wire center level or census block as appropriate.		
<113>	Maps detailing progress towards meeting plan targets Report how much universal service (USF) support was received		Yes
<115> <116> <117>	How much (USF) was used to improve service quality and how support was used to improve service quality. How much (USF) was used to improve service coverage and how support was used to improve service coverage. How much (USE) was used to improve service canarity and how support was used to improve service canarity.		Yes Yes
<1118>	Provide an explanation of network improvement targets not met in the prior calendar year.		Yes Not Applicable

FCC Form 481	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013
(200) Service Outage Reporting (Voice)	Data Collection Form	

							<h>></h>	Preventative	Procedures												
								Preve	Proc												
							<g>></g>	Service Outage	Resolution												
							<\$>	Did This Outage Affect Multiple Study Areas	(Yes / No)												
							<e>></e>	Service Outage Description (Check	all that apply)												
								911 Facilities Affected	(Yes / No)												
	COOP INC			ext.	zostel com	1100	<c2></c2>	Total Number of	Customers				See attached	workshoot	No local						
1	BRAZOS TEL COOP INC	2016	Ted Scobee)> 9405647341 ext.	0> tacobee@brazostel com		<c1></c1>	Number of Customers Affected					-	OW.	A						
			data	n data line <030>	n data line <03	nata IIIIe 703	 b4>	Outage End Time													
			regarding this	son identified ii	son identified i		<b3></b3>	Outage End Date													
			should contact	Number of per	Address of ne	ad io sea in a	<bs></bs> b2>	Outage Start Outage Start Date Time													
ממכ	ame		Contact Name - Person USAC should contact regarding this data	Contact Telephone Number - Number of person identified in data line	Contact Email Address - Email Address of nerson identified in data line <030>	Address - Lilla	 	Outage Start Date													
Study Alea Code	Study Area Name	Program Year	Contact Name	Contact Telep	Contact Email	כסוומר דוומ	<a>>	NORS Reference Number													
VOTO\	<015>	<020>	<030>	<032>	<030>	V650/	<220>														

FCC Form 481	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013
00) Price Offerings including Voice Rate Data	ata Collection Form	

FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	442041	BRAZOS TEL COOP INC	2016	Ted Scobee	9405647341 ext.	. tscobee@brazostel.com	l I l		 	sidential Local Mandatory Extended Area Service Rate State Subscriber Line Charge State Universal Service Fee Service Charge Total per line Rates and Fees				See attached worksheet							
									<					1000	leer leer	1991	1991	39			
		L COOP INC		ø	1 ext.	razostel.com			<	State Subscriber Line Cl				Hached worksh	telegraphic production						
	442041	BRAZOS TEL	2016	Ted Scobee			l I l		 	Residential Local Service Rate				See a			:				
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				ing this data	ntified in data	entified in data l	1		b1>	Rate Type											
ata				contact regarding this data	er of person identified in data	ss of person identified in data l	ctive Date	ervice Charge	<a3> <b1></b1></a3>	SAC (CETC) Rate Type											
cluding Voice Rate Data	Je Je	me		- Person USAC should contact regarding this data	none Number - Number of person identified in data	Address - Email Address of person identified in data l	:al Service Charge Effective Date	ide Residential Local Service Charge													
(700) Price Offerings including Voice Rate Data Data Collection Form	Study Area Code	Study Area Name	Program Year	Contact Name - Person USAC should contact regarding this data	Contact Telephone Number - Number of person identified in data line <030>	Contact Email Address - Email Address of person identified in data line <030>	Residential Local Service Charge Effective Date	Single State-wide Residential Local Service Charge	<a3></a3>	SAC (CETC)											

FCC Form 481	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013	
(710) Broadband Price Offerings	Data Collection Form		

V0107	Study Area Name			THE SOLVE THE SOLVE THE	CNL				
	Program Year			2016)				
	Contact Name - Person US	Contact Name - Person HSAC should contact regarding this data	is data	Ted Scobee					
	Contact Telephone Numbe	Contact Telephone Number - Number of person identified in data line <030>	d in data line <030>	9405647341 ext.					
	Contact Email Address - En	Contact Email Address - Email Address of person identified in data line <030>	d in data line <030>	tscobee@brazostel.com	cel.com				
<711>	<a1></a1>	<a2></a2>	 b1>	<bs></bs>	<>>>	<d1></d1>	<d2></d2>	<d3></d3>	<d4>></d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rate and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Ubload Speed (Mbbs)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached {select}
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				See attached	pad				
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				ייטוואאוופפו -י					
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(800) Operating Companies	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

									<a3></a3>	Doing Business As Company or Brand Designation											
										Doing Business As Co											
	OP INC			t.	ostel.com				<a2></a2>	SAC											
442041	BRAZOS TEL COOP INC	2016	Ted Scobee	9405647341 ext.	tscobee@brazostel.com																
			Contact Name - Person USAC should contact regarding this data	Contact Telephone Number - Number of person identified in data line <030>	Contact Email Address - Email Address of person identified in data line <030>	Brazos Telehone Cooperative, Inc.	Not Applicable	/ Brazos Telephone Cooperative, Inc.	<a1></a1>	Affiliates											
Study Area Code	Study Area Name	Program Year				Reporting Carrier		l													
<010>	<015>	<020>	<030>	<032>	<039>	<810>	<811>	<812>	<813>												-

(900) Tr	(900) Tribal Lands Reporting	FCC Form 481
Data Co	Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	442041
<015>	Study Area Name	BRAZOS TEL COOP INC
<020>		2016
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<035>	Contact Telephone Number - Number of person identified in data line <030>	30> 9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	330> tscobee@brazostel.com
<910>	Tribal Land(s) on which ETC Serves	
	J	
<920>	Tribal Government Engagement Obligation	
		Name of Attached Document
If your to coni demon § 54.31	If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:	Select Yes or No or Not Applicable
/021/	Needs assessment and denloyment nlanging with a focial on Tribal	
7	community anchor institutions.	
<922>		
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	

(1100) N	(1100) No Terrestrial Backhaul Reporting	FCC Form 481
Data Co	Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	442041
<015>	Study Area Name	BRAZOS TEL COOP INC
<020>		2016
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<032>	Contact Telephone Number - Number of person identified in data line <030>	9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tscobee@brazostel.com
<1120>	Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).	
<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	Sd

r (1200)	(1200) Terms and Condition for Lifeline Customers	FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Co	Data Collection Form	July 2013
<010>	Study Area Code	
<015	Ctuck Area Name	Ē
7007	Drogram Voar	TEL COOP INC
×070×		
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<035>	Contact Telephone Number - Number of person identified in data line <030>	9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tscobee@brazostel.com
	442041	442041tx1210.pdf
<1210>	<1210> Terms & Conditions of Voice Telephony Lifeline Plans	
		Name of Attached Document
<1220>	Link to Public Website	
"Please	"Please check these boxes below to confirm that the attached document(s), on line 1210,	
or the w	or the website listed, on line 1220, contains the required information pursuant to	
§ 54.42 annually	§ 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:	
<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	
<1222>	Details on the number of minutes provided as part of the plan,	
<1223>	Additional charges for toll calls, and rates for each such plan.	

FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013		pliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, a The information reported on this form and in the documents attached below is accurate.	Name of Attached Document(s) Listing Required Information	Name of Attached Document(s) Listing Required Information
(2000) Price Cap Carrier Additional Documentation Data Collection Form Including Rate-of-Return Carriers offiliated with Price Cap Local Exchange Carriers	 Study Area Code Study Area Name Program Year Colob Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <03O>	Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Incremental Connect America Phase I support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate. Incremental Connect America Phase I reporting 47 CFR § 54.313(b)(1) } 47 CFR § 54.313(b)(1) 47 CFR § 54.313(b)(1) 47 CFR § 54.313(b)(1) 47 CFR § 54.313(b)(1) 48 CFR § 54.313(b)(1) 49 CFR § 54.313(b)(1) 49 CFR § 54.313(b)(1) 40 CFR § 54.313(b)(1)	Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)} <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)1} <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)1} <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)1} <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)2} <2015 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2016 and future Frozen Support Calculation {47 CFR § 54.313(c)3} <2017> Are Broadband Service Certification <2018> 5th year Broadband Service Certification <2018> 5th year Broadband Service Certification <2019> Interim Progress Certification <2019> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	<2021> Interim Progress Community Anchor Institutions

(3000) R.	(3000) Rate Of Return Carrier Additional Documentation	FCC Form 481
Data Col	Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
ć		
<010>	Study Area Code Study Area Name	442041 BRAZOS TEL COOP INC
<020>		2016
<030>	Contact Name - Person USAC should contact regarding this data Contact Telephone Number - Number of person identified in data line <030>	Ted Scobee
<039>	Ш	tsobee@brazostel.com
CHECK 1	the boxes below to note compliance on its five year service quality plan (pursuant CFR § 54.313(f)(2). I further certify that the	CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.
		442041tx3010.pdf
(3010)	Progress Report on 5 Year Plan Milestone Certification (47 CFR § 54.313(f)(1)(i)}	Name of Attached Document Listing Required Information
(3011)	Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(iii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	s of community anchor institutions to which began
		442041tx3012.pdf
(3012)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	
(3013)	ls your company a Privately Held ROR Carrier [47 CFR § 54.313(f)(2)}	Name of Attached Document Listing Required Information (Yes/No)
(3014)	If yes, does your company file the RUS annual report	ON/SOA)
Please	check these boxes to confirm that the attached document(s), on line 3017, or Electronic copy of their annual RUS reports (Operating Report for	Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:
(2016)		
(3016)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	Swol
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	
(0100)		Name of Attached Document Listing Required Information
(3018)		loutes)
(3019)	in the teapouse by years the 30.00, pread the Annual Contains confirm your submission, on line 30.26 pursuant to § 54.313(f)(2), contains Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications	at comparable to RUS Operating Report for Telecommunications
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows	Flows
(3021)	Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit	e accountant that performed the company's financial audit
	If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to \S 54.313(f)(2), contains:	
(3022)		
(3023)	Borrowers, Underlying information subjected to a review by an independent certified	
(3024)	public accountant Underlying information subjected to an officer certification. Documents of the Dalman Subjected to an officer certification.	
(3023)	Document(s) for balance oneet, income otatement and otatement of cas.	an Flows 442041tx3026.pdf

Name of Attached Document Listing Required Information

(3026) Attach the worksheet listing required information

FCC Form 481	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013	
3000) Rate Of Return Carrier Additional Documentation (Continued)	Data Collection Form		

<010>	010> Study Area Code	442041
<015>	Study Area Name	BRAZOS TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<032>	Contact Telephone Number - Number of person identified in data line <030> 9405647341 ext.	9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030> tscobee@brazostel.com	tscobee@brazostel.com

Summary	
Financial Data §	

(3027) Revenue

(3028) Operating Expenses

(3029) Net Income

(3030) Telephone Plant In Service(TPIS)

(3031) Total Assets

(3032) Total Debt

(3033) Total Equity

(3034) Dividends



Certification - Reporting Carrier	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	Study Area Code	442041
<015>	Study Area Name	BRAZOS TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<035>	Contact Telephone Number - Number of person identified in data line <030>	9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tscobee@brazostel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients

I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.

Name of Reporting Carrier:

Signature of Authorized Officer:

Date

Printed name of Authorized Officer:

Title or position of Authorized Officer:

Telephone number of Authorized Officer:

Study Area Code of Reporting Carrier:

Filing Due Date for this form:

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

	ion - Agent / Carrier ection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	442041
<015>	Study Area Name	BRAZOS TEL COOP INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Ted Scobee
<035>	Contact Telephone Number - Number of person identified in data line <030>	9405647341 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	tscobee@brazostel.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an A	gent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier
	is authorized to submit the information reported on behalf of the reporting carrier. I illities include ensuring the accuracy of the annual data reporting requirements provided to the authorized ed to the authorized agent is accurate.
Name of Authorized Agent: Deb Morgan	
Name of Reporting Carrier: BRAZOS TEL COOP INC	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/25/2015
Printed name of Authorized Officer: Ted Scobee	
Title or position of Authorized Officer: Assistant Manager	
Telephone number of Authorized Officer: 9405647341 ext.	
Study Area Code of Reporting Carrier: 442041	Filing Due Date for this form: 07/01/2015
, ,	by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment le 18 of the United States Code, 18 U.S.C. § 1001.

TO BE COMPLETED BY THE AUTHORIZED AGENT:

	Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier
Lacad	gent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided
	ta reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.
Name	of Reporting Carrier: BRAZOS TEL COOP INC
Name	of Authorized Agent or Employee of Agent: Deb Morgan
Signati	ure of Authorized Agent or Employee of Agent: CERTIFIED ONLINE Date: 06/25/2015
Printe	d name of Authorized Agent or Employee of Agent: Deb Morgan
Title o	r position of Authorized Agent or Employee of Agent Manager
Teleph	none number of Authorized Agent or Employee of Agent: 5123432544 ext.
Study	Area Code of Reporting Carrier: 442041 Filing Due Date for this form: 07/01/2015
	Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.



(200) Service Outage Reporting (Voice)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

	Study Area Code	je je					442041				
<015> S	Study Area Name	ne					BRAZOS TEL COOP INC	, COOP INC			
<020> P	Program Year						2016				
<030>	ontact Name -	- Person US	Contact Name - Person USAC should contact regarding this data	tact regardi	ng this data		Ted Scobee				
<035> C	ontact Teleph	one Numbe	Contact Telephone Number - Number of person identified in data line <030>	person ider	ntified in data li		9405647341 ext.	ext.			
<039> C	ontact Email ₽	Address - Er	Contact Email Address - Email Address of person identified in data line <030>	F person ide	ntified in data l		:scobee@br	tscobee@brazostel.com			
<220>	 b1>	 b2>	 693>	 4 b4 >	<c1></c1>	<2>>	\ 0 \	< d>>	\$	< <i>d</i> >	ê
NORS Reference Number	Ont	0 %	Out	0 m i=	Number of Customers Affected	Total Number of Customers	911 Facilities Affected (Yes / No)	ge eeck /)	Did This Outage Affect Multiple Study Areas (Yes / No)	Service Outage Resolution	Preventative Procedures
14-14950895	05/		05/28/2013				Yes	Wireline (including cable) Voice (non-VoIP),No		Fiber-splice trailer ready to send personnel to repair spiced fiber. Rerouted 911 calls to PSAP.	Installed a second fiber calle in this area to avoid service outage for customers.

(700) Price Offerings including Voice Rate Data	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010>	<010> Study Area Code	442041
:015>	<015> Study Area Name	BRAZOS TEL COOP INC
:020>	<020> Program Year	2016
030>	<030> Contact Name - Person USAC should contact regarding this data	Ted Scobee
035>	<035> Contact Telephone Number - Number of person identified in data line <030> 9405647341 ext.	9405647341 ext.
039>	<039> Contact Email Address - Email Address of person identified in data line <030>	<pre><030> tscobee@brazostel.com</pre>

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2015

<a1></a1>	<a2></a2>	<a3></a3>	b1>	<	 	 b4>	 	\$
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
TX	Archer City		FR	14.23	0.0	9.0	4.1	18.93
TX	Bryson		FR	14.23	0.0	0.59	3.5	18.32
TX	Elbert		FR	14.08	0.0	0.58	3.5	18.16
TX	Eliasville		FR	14.08	0.0	0.58	3.5	18.16
TX	Jermyn		FR	14.23	0.0	0.59	3.5	18.32
TX	Loving		FR	14.08	0.0	0.58	3.5	18.16
TX	Newcastle		FR	14.23	0.0	0.59	3.5	18.32
TX	Olney		FR	15.95	0.0	0.53	0.0	16.48
TX	Orth		FR	14.08	0.0	0.58	3.5	18.16
TX	Woodson		FR	14.08	0.0	0.58	3.5	18.16
TX	Archer City		FR	14.23	0.0	0.6	4.1	18.93
TX	Bryson		FR	14.23	0.0	0.59	3.5	18.32
TX	Elbert		FR	14.08	0.0	0.58	3.5	18.16
TX	Eliasville		FR	14.08	0.0	0.58	3.5	18.16
XI	Jermyn		FR	14.23	0.0	65.0	3.5	18.32
TX	Loving		FR	14.08	0.0	0.58	3.5	18.16
XI	Newcastle		FR	14.23	0.0	65.0	3.5	18.32
TX	Olney		FR	15.95	0.0	0.53	0.0	16.48
TX	Orth		FR	14.08	0.0	0.58	3.5	18.16
TX	Woodson		FR	14.08	0.0	0.58	3.5	18.16

FCC Form 481	OMB Control No. 3060-0986/OMB Control No. 3060-0819	July 2013
(710) Broadband Price Offerings	Data Collection Form	

<010>	<010> Study Area Code	442041
<015>	<015> Study Area Name	BRAZOS TEL COOP INC
<020>	<020> Program Year	2016
<030>	<030> Contact Name - Person USAC should contact regarding this data	Ted Scobee
<032>	<035> Contact Telephone Number - Number of person identified in data line <030> 9405647341 ext.	9405647341 ext.
<039>	<039> Contact Email Address - Email Address of person identified in data line <030>	<030> tscobee@brazostel.com

<d4></d4>	Usage Allowance Action Taken When Limit Reached {select}	Other, No limit on usage allowance												
		Other, No	Other, No	Other, No	Other, No									
	Usage Allowance (GB)	0.666666	0.666666	0.666666	0.666666									
<q3></q3>	ps)	2.0	2.0	3.0	5.0									
<d2></d2>	Broadband Service - Broadband Service Download Speed - Upload Speed (Mb	6.0	10.0	30.0	50.0									
<c> <d1></d1></c>	Total Rates and Fees	59.95	79.95	149.95	209.95									
<bs></bs>	State Regulated Fees	0.0	0.0	0.0	0.0									
<	Residential Rate	59.95	79.95	149.95	209.95									
<a2></a2>	Exchange (ILEC)	ALL	ALL	ALL	ALL									
<a1>></a1>	State	TX	TX	TX	TX									
<711>														

LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN PROGRESS REPORT



Of the \$974,112 in USF support projected to be received in the first half of 2015, the Cooperative projects that support will be spent on capital expenses and support will be spent on operating expenses.

Exchange S Year Plan 2015 Proposed Improvements S Year Plan 2015 Progress (Jan-June)

Exchange S Year Plan 2015 Proposed Improvements Porecast S Year Plan 2015 Progress (Jan-June)



REDACTED - FOR PUBLIC INSPECTION



REDACTED - FOR PUBLIC INSPECTION

LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE

Brazos Telephone Cooperative, Inc. (the "Cooperative") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its member services tariff, which is approved by the Public Utility Commission of Texas ("Texas PUC"). The tariff contains provisions regarding the Cooperative's customer service and protection practices.

Service quality standards for voice service are established by the Texas PUC. The Cooperative consistently meets or exceeds those standards and provides reports to the Texas PUC, in accordance with the Texas PUC's rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Cooperative.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

Finally, the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Cooperative's compliance with CPNI rules and a description of the Cooperative's operating procedures that ensure compliance are filed annually with the FCC.

LINE 1010 – VOICE SERVICES RATE COMPARABILITY

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").¹

In all of the exchanges served by Brazos Telephone Cooperative, Inc. ("the Cooperative"), the single-line residential local rate, including any mandatory extended area service charge, is \$18.33. When the federal SLC (\$6.50) and the state universal service fee (\$.60) are included, the rate becomes \$25.43. Therefore, the Cooperative's pricing of fixed voice services is less than the reasonable comparability benchmark of \$47.48.

¹ Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).

LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS

Brazos Telephone Cooperative offers qualified Lifeline subscribers a discount of \$12.75 (\$9.25 federal discount and \$3.50 state discount) on a flat-rate residential access line.

The Lifeline single-line residential rates, including any applicable mandatory extended area service charge and the federal subscriber line charge ("SLC") are provided below for the Cooperative's exchanges it serves:

Archer City Exchange is \$12.08 (\$24.83 standard rate - \$12.75 discount);

Bryson, Jermyn and Newcastle are \$11.48 (\$24.23 standard rate - \$12.75 discount);

Elbert, Eliasville, Loving, Orth and Woodson Exchanges are \$11.33 (\$24.08 standard rate - \$12.75 discount); and

Olney Exchange is \$9.70 (\$22.45 standard - \$12.75 discount).

The residential access line provided on a stand-alone basis or as part of a package always includes an unlimited number of local calling minutes.

Toll calls for a stand-alone access line are billed at the rate of the carrier chosen by the customer.

Lifeline customers may subscribe to any residential voice telephony service package that is generally available to the public and will receive a discount of \$12.75 from the regular price of the package.

Rates, terms and conditions can be seen at the Company's website: http://www.brazosnet.com/telephone/specialservices.php

LINE 3010 – MILESTONE CERTIFICATION

Brazos Telephone Cooperative, Inc. (the "Cooperative") hereby certifies that the Cooperative has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

LINE 3012 – COMMUNITY ANCHOR INSTITUTIONS

Brazos Telephone Cooperative, Inc. did not newly deploy broadband service to any community anchor institutions in the preceding calendar year (2014).

BRAZOS TELEPHONE COOPERATIVE, INC.

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2014 and 2013 With Independent Auditor's Report

BRAZOS TELEPHONE COOPERATIVE, INC. OLNEY, TEXAS

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INDEPENDENT AUDIT	OR'S REPORT	3
FINANCIAL STATEME	INTS:	
Consolidated Bala	ince Sheets	4 – 5
Consolidated Stat	ements of Operations	6
Consolidated Stat	ements of Comprehensive Income	7
Consolidated Stat	ements of Changes in Members' Equity	8
Consolidated Stat	ements of Cash Flows	9
Notes to Consolid	ated Financial Statements	10 – 20



Independent Auditor's Report

The Board of Directors
Brazos Telephone Cooperative, Inc.
Olney, Texas

We have audited the accompanying consolidated financial statements of Brazos Telephone Cooperative, In which comprise the balance sheets as of December 31, 2014 and 2013, and the related consolidat statements of operations, comprehensive income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements accordance with accounting principles generally accepted in the United States of America; this includes t design, implementation, and maintenance of internal control relevant to the preparation and fair presentati of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conduct our audits in accordance with auditing standards generally accepted in the United States of America. The standards require that we plan and perform the audits to obtain reasonable assurance about whether t financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in t financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and for presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's intercontrol. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness accounting policies used and the reasonableness of significant accounting estimates made by manageme as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for caudit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financ position of Brazos Telephone Cooperative, Inc. as of December 31, 2014 and 2013, and the results of operations and its cash flows for the years then ended in accordance with accounting principles genera accepted in the United States of America.

Longview, Texas

untis Blakely + Co, P.C.

April 10, 2015

BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED BALANCE SHEETS December 31

Assets

Current Assets:

Cash and cash equivalents
Temporary investments
Accounts receivable
Accrued unbilled revenue
Materials and supplies
Prepaid income taxes
Other prepayments

Total Current Assets

Property, Plant, and Equipment:
Plant in service
Plant under construction

Total Property, Plant, and Equipment

Less: Accumulated depreciation

Net Property, Plant, and Equipment

Investments and Other Assets: Investment in cellular entities Other investments Deferred charges

Total Investments and Other Assets

Total Assets



BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED BALANCE SHEETS December 31

Liabilities and Equities

Current Liabilities:

Accounts payable
Accrued income taxes
Accrued taxes
Accrued compensated absences
Other accrued liabilities
Customer deposits

Total Current Liabilities

Other Liabilities and Deferred Credits:

Deferred income taxes
Accrued postretirement benefits

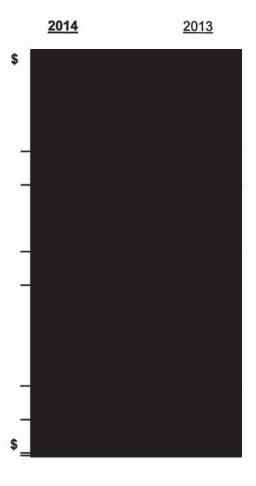
Total Other Liabilities and Deferred Credits

Members' Equities:

Patronage capital assigned
Patronage capital assignable
Accumulated other comprehensive income (loss):
Unrecognized postretirement benefit costs

Total Equities

Total Liabilities and Equities



BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED STATEMENTS OF OPERATIONS For the Years Ended December 31

2014 2013 **Operating Revenues:** Local network services **Network access services** Long distance network services Internet and managed services Miscellaneous Less: Uncollectible recoveries (revenues) **Total Operating Revenues** Operating Expenses: Plant specific operations Plant nonspecific operations Depreciation and amortization **Customer operations** Corporate operations Long distance Internet and managed services **Total Operating Expenses Operating Taxes:** Income taxes Other operating taxes **Total Operating Taxes Operating Margin** Nonoperating Margin: Interest and dividend income Cellular entity's distributions Gain on sale of wireless spectrum Other nonoperating expense Income taxes **Total Nonoperating Margin** Margin Before Interest Charges Interest Charges: Interest expense Capitalized interest **Total Interest Charges Net Margin**

BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME For the Years Ended December 31

Net Margin \$

Other Comprehensive Income:
Postretirement health plan benefits:
Actuarial gain (loss) arising
Reclassification of prior year comprehensive income
amounts included in current year net income

Comprehensive Income \$

BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY For the Years Ended December 31

Accumulated Other **Patronage Patronage** Capital Capital Comprehensive Memberships **Assignable Assigned** Income (Loss) **Total** \$ Balance, January 1, 2013 Patronage Capital Assigned **Net Margin** Actuarial Gain (Loss) Arising Amounts Reclassified From Accumulated Other Comprehensive Income Memberships Refunded Retirements Balance, December 31, 2013 **Patronage Capital Assigned Net Margin Actuarial Gain (Loss) Arising Amounts Reclassified From Accumulated Other** Comprehensive Income Retirements Balance, December 31, 2014

BRAZOS TELEPHONE COOPERATIVE, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended December 31

2014 2013 Cash Flows from Operating Activities: Net margin Adjustments to reconcile net margin to net cash provided by operating activities: Depreciation and amortization Patronage capital certificates received Gain on sale of wireless spectrum Change in assets and liabilities: Accounts receivable Prepaids and deferred charges **Deferred tax assets Deferred charges** Accounts payable and accruals Deferred tax liabilities and deferred credits **Total Adjustments Net Cash Provided by Operating Activities** Cash Flows from Investing Activities: Capital expenditures Proceeds from sales of assets Change in temporary investments Net Cash (Used in) Provided by Investing Activities Cash Flows from Financing Activities: Payments of long-term debt Memberships refunded Patronage capital retired **Net Cash Used in Financing Activities** Net (Decrease) Increase in Cash and Cash Equivalents Cash and Cash Equivalents at Beginning of Year Cash and Cash Equivalents at End of Year

Note 1 – Summary of Significant Accounting Policies:	
Basis of Presentation	

Note 1 – Summary of Significant Accounting Policies: (continued)



Note 1 – Summary of Significant Accounting Policies: (continued)

Note 1 – Summary of Significant Accounting Policies: (continued)
Note O. Assessed Habilla d Decision
Note 2 – Accrued Unbilled Revenue:
Note 3 – Income Taxes:

Note 3 – Income Taxes: (continued)
Note 4 – Property, Plant, Equipment, and Accumulated Depreciation:
Note 5 – Investment in Cellular Entities:
Note 6 – Other Investments:

Note 6 – Other Investments: (continued)	
Note 7 – Employee Benefits:	

Note 7 – Employee Benefits: (continued)	

Note 7 – Employee Benefits: (continued)

· · · · · · · · · · · · · · · · · · ·		
Note 8 – Additional Cash Flow Information:		

Note 10 – Commitments and Contingencies: (continued)
Note 11 – Reclassification Out of Accumulated Other Comprehensive Income:
Note 12 - Subsequent Events:
Note 12 – Subsequent Events: